



## Financial Controls Policy & Procedures Statement

<b>Operational Owner</b>	General Manager- Jane Sullivan
<b>Trustee Owner</b>	Joe McGarry
<b>Effective date:</b>	25/02/21
<b>Review date:</b>	25/02/23
<b>Related documents</b>	Staff Code of Conduct, Anti-fraud bribery & Corruption Policy

### Approval History

Version	Reviewed by	Amendment History	Approved by	Date
1	Joe McGarry	New policy	Trustee Board	25/02/21

### Purpose

The purpose of this policy is to ensure that Susan's Farm staff and associated personnel are aware of their responsibility in meeting our legal and statutory duties with regard to financial controls.

### Scope

Trustees, staff, volunteers and associated personnel all have some level of responsibility for this policy as set out below. Ultimate responsibility rests with the trustees of the charity unless delegated within this document.

### Policy Statement

Financial records and accounts must be kept so that we can meet our legal and other statutory obligations such as to the Charities Commission and various Charities Acts, HM Customs & Revenue and common law. Beyond this, we have obligations to our funders, beneficiaries and stakeholders as set out in our mission statement and various declarations to funders and others. It is also considered prudent by trustees that we set out clearly the various responsibilities expected so that the charity can operate in a satisfactory manner as well as trustees demonstrating proper financial control of the charity.

### The policy aims to:

Provide controls and procedures to: -

- 1) Protect the charity's assets.
- 2) Identify and manage the risks of conflicts of interest, loss, waste, bribery, theft or fraud.
- 3) Ensure that financial reporting is robust and of sufficient quality.
- 4) Ensure that the trustees can comply with charity law and regulation relating to finance.

## **Financial Controls**

The financial controls of the charity are as follows: -

- 1) All financial transactions will be entered into the Xero system which has been adopted by the charity to analyse all transactions including those appearing on the bank accounts.
- 2) A Petty Cash Book is to be maintained if any cash payments or cash income received although this can be superseded by an appropriate electronic record.
- 3) Accounts must be drawn up at the end of the financial year (30<sup>th</sup> April) as soon as possible to meet with regulatory requirements. The charity will employ a qualified accountancy firm to take primary responsibility for this task and will take advice from them as per duties in appointing qualified auditor/ independent examiner to audit the accounts if necessary.
- 4) The charity banks at the Cumberland Building Society and accounts will be held in the name of the charity and no change can be made to these arrangements without prior agreement of the trustees. The charity will require regular bank statements and the charity administrator will reconcile statements with charity records. The petty cash book will be checked at intervals of no more than 3 months and signed by the responsible trustee who will carry out this check.
- 5) All income received will be recorded promptly in the relevant Xero record without delay and banked as soon as possible unless it is deemed appropriate to enter the transaction in the petty cash book. All funds received will be banked within 14 days of receipt in all circumstances. No more than £1,000 (one thousand pounds only) cash is to be held in the safe overnight: no more than £5,000 (five thousand pounds only) cash to be held in the safe during the day: no more than £500 (five hundred pounds only) cash to be held anywhere else. Documentation backing all income transactions will be filed to back this up.
- 6) Payments will normally be made direct from the charity's current account to beneficiaries as per the bank mandate which requires 2 people to authorise these payments, one of which must be a trustee. There will be some occasions when this is not possible, and payments can be made by bank card by employees, authorised volunteers or trustees as set out below. All bank cards will be issued only after trustee approval (trustees as a group as per the charity's constitution) has been obtained. All payments will be evidenced by an original invoice/receipt which will be kept by the charity and filed. Use of cash for payments which are recorded in the Petty Cash Book will only be in exceptional circumstances when the payment is very modest up to a maximum of £10 (ten pounds only). Any contracts which require Direct Debit payments must be authorised by the Management Committee as a minimum except where the cost exceeds £5,000.00 (five thousand pounds only) in which case trustee board approval will be needed.

7) Authorisation of Expenditure.

<b>Person Authorised</b>	<b>Maximum Per Transaction</b>	<b>Maximum Per Month</b>
Employees, volunteers, individual trustee	£300.00	£500.00
Management Committee	£5000.00	£10,000.00

Any transactions beyond the above must be approved in advance by trustees as a group as set out in the charity's constitution. Any payments made under this authority by an individual acting alone, together with appropriate documentation, are to be recorded in an appropriate spreadsheet by the charity administrator and checked once per month by two trustees one of which is the Chair of Trustees. Any changes to these authorities must be made by trustees as a group, in advance of changes being made.

8) Wages and salaries will be paid as per contract and unless separately agreed, paid monthly direct to bank accounts before the end of a calendar month and will be paid within National Insurance and PAYE regulations as advised by the charity's accountant.

9) Petty cash will be maintained with an appropriate cash book and held securely on farm premises and transactions recorded as per charity policy. A maximum of £100 is to be held at any one time and any variation will need trustee board approval.

10) Expenses, fares, travel costs etc. will be reimbursed if personally paid for by any employee, volunteer or trustee evidenced by an original ticket/ receipt. Mileage will be reimbursed at HMRC rates. Any request for reimbursement must be approved by someone other than the direct beneficiary as per the authorities above.

11) The charity will not accept responsibility for any financial commitment unless properly authorised as per this document and any transaction outside the limits in this document must be authorised by the board of trustees.

12) All grant fundraising and grant applications on behalf of the charity will be done in the name of the charity with prior approval of the trustees or in very urgent and exceptional situations, the approval of the chair of trustees who will provide full details to the trustees' board as soon as possible and at the next trustees scheduled meeting at the latest.

13) The charity will draw up a written budget for each of the main activities explaining what expenditure it expects to incur as well as identifying where the income for that expenditure will come from and where practical and possible to include a contribution to the charity's cash reserves as per the requirements of the Charities Commission. The main areas to be budgeted for are Alternative Provision, Educational Visits, Care Farming, Land & Animal Management and the support offered to ex-offenders. There may be other projects which will require specific budgeting from time to time. These individual budgets will then form the overall budget for the charity

14) The charity will adhere to good practice in relation to its finances at all times and all individuals acting on behalf of the charity under this policy statement will be expected to use the highest standards in honesty and integrity and any breach will be treated with seriousness and could lead to disciplinary action including dismissal and if a crime is committed, prosecution may follow.

15) A self-assessment checklist, as provided by the Charities Commission, will be carried out once a year during May by a nominated trustee (nominated each year by the board of trustees) which may result in recommendations for changes to this document to the trustees' board. Notwithstanding, this document will be reviewed once every two years by the board of trustees as minimum but could be altered at any time in the light of experience by the board of trustees.

20<sup>th</sup> January 2021